

[GB] OFTEL Consults on Conditional Access Pricing

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Preparing the launch of digital TV services in the United Kingdom, the Office of Telecommunications (OFTEL) has set out its proposed approach to the pricing issues of conditional access services for digital television. Conditional access systems are used by broadcasters of pay-TV service to ensure that only authorised viewers either those who have paid to receive the service or those for whom the broadcaster has purchased rights are able to receive services. It is clear that conditional access services are crucial to the development of pay-TV. OFTEL's responsibilities in relation to the pricing of conditional access services for digital television stem from the Advanced TV Services Regulations 1996 (SI 1996 No 3151, see IRIS 1996-9: 15) and the Class Licence for Conditional Access Services issued under the Telecommunications Act 1984 on 7 January 1997. The Regulations place a duty on conditional access operators who produce and market access services to offer technical conditional access services on a 'fair and reasonable, non-discriminatory basis'. The consultation document states that the interpretation of "non-discrimination" should be based upon the underlying principle that comparable customers for comparable services should receive comparable terms and conditions. In order to reach that OFTEL would take account of the differences between different pay television services, and between pay television and free-to-air services. The consultative document seeks further to open the discussion on how this underlying principle should be applied.

The Pricing of Conditional Access Services for Digital Television, Consultative Document, October 1997

